

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

CELSIUS NETWORK LLC, *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 22-10964 (MG)

Jointly Administered

CELSIUS NETWORK LIMITED and  
CELSIUS KEYFI LLC,

Plaintiffs,

v.

JASON STONE and KEYFI, INC.,

Defendants.

Adversary Proceeding  
No. 22-01139 (MG)

**DECLARATION OF SHIRAN KLEIDERMAN IN SUPPORT OF  
CELSIUS' MOTION FOR PRELIMINARY INJUNCTION**

I, Shiran Kleiderman, declare under penalty of perjury:

1. I am the Chief Security Officer and Head of IT at Celsius Network Limited (“Celsius”). I joined Celsius in March 2020. I submit this declaration (the “Declaration”) in support of Celsius’ Motion for a Preliminary Injunction. Except as otherwise indicated, all facts set forth herein are based on my personal knowledge, and documents and information available to me based on my work for Celsius.

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network, Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); and Celsius US Holding LLC (7956). The location of Debtor Celsius Network LLC’s principal place of business and the Debtors’ service address in these chapter 11 cases is 121 River Street, PH05, Hoboken, New Jersey (07030).

2. On or around August 19, 2020, Celsius created a digital wallet with the address 0xb1adceddb2941033a090dd166a462fe1c2029484 (the “0xb1” wallet) and transferred 1 ETH to the 0xb1 wallet. Celsius later transferred substantial additional ETH into the 0xb1 wallet and certain other Celsius wallets (together with the 0xb1 wallet, the “Celsius Wallets”). Eventually, Celsius gave defendants Jason Stone and KeyFi, Inc. (together, “Defendants”) the private keys to the 0xb1 wallet and certain other Celsius Wallets to permit Defendants to deploy Celsius’ coins as expressly authorized in advance by Celsius.

3. I have reviewed the Declaration of Ron Sabo, Celsius’ Head of Research (the “Sabo Declaration”). Based on information available to me, the transactions described in the Sabo Declaration were not carried out by Celsius, and the only persons capable of transferring assets out of the 0xb1 wallet and other Celsius Wallets, other than Celsius itself, are the Defendants. Indeed, I understand that the Defendants have not denied that they undertook transactions of the kind described in the Sabo Declaration.

4. The following wallets are not owned or controlled by Celsius, and upon information and belief, are owned or controlled by the Defendants:

- a. 0x50dd57f50a17d57304e7a4f262da30beb31c2e87
- b. 0x852C29C4bCD5E4297839380Ebb784cc48e4f81F7
- c. 0x1cEb38874B44E2B3a87B2d1204BC2b989529Ed14
- d. 0xe25c8cbe119c55dcef5ea372771f9365f52a115d
- e. 0xfc2a616d48a8681250aaaf590404e20812e96cfa
- f. 0x8cc24e59e29a0f9b46f1746b392eaf2483d75096 (the “0x8cc” wallet)

5. After Stone departed from Celsius in the spring of 2021, Celsius sought to transfer all assets it recognized as valuable out of the Celsius Wallets. Stone also claimed to Celsius that

he would not engage in any more transactions involving assets in Celsius Wallets. For example, on March 31, 2021, Stone claimed that he would provide Celsius with control over certain of the Celsius Wallets by providing Celsius with the seed codes and private keys to those wallets and then destroying the seed codes and private keys in his possession.<sup>2</sup> Nevertheless, Stone continued to transact in those wallets in contravention of Celsius's instructions and his own representations, as evidenced by transfers out of those wallets visible on the blockchain that were not carried out by Celsius (the only other party with the seed codes and private keys). Additionally, Stone may have created other wallets (unrelated to and unknown to Celsius) for the purpose of making unauthorized transfers.

6. For example, the September 21, 2021 transfer of \$1.4 million worth of DAI from the Celsius 0xb1 wallet to the 0x8cc wallet, described in paragraphs 31–34 of the Sabo Declaration, was not authorized by Celsius. The only person who had access to the 0xb1 wallet was Stone, as he is the only person other who had made deployments of coins through the 0xb1 wallet that would have resulted in this airdrop. To my knowledge, Stone never has denied that he transferred the \$1.4 million worth of DAI out of the 0xb1 wallet and to himself or for his benefit.

7. Celsius is implementing a routinized system to periodically check all Celsius Wallets (1) to ensure that no ETH is deposited to them to be used later to pay “gas fees”<sup>3</sup> for moving assets located in various protocols (which only Stone knows about and can access) once they become “unlocked” (i.e., available for withdrawal) and (2) to monitor outgoing transactions. If any deposits are made to Celsius Wallets, Celsius is to transfer any asset deposited to a safe address before Stone can access the asset.

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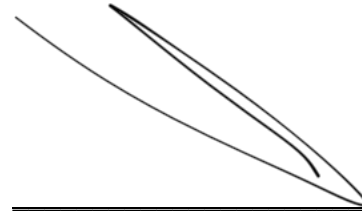
<sup>2</sup> Those Celsius Wallets had the following addresses: (1) 0x4918151BFa7AD842f6F941aAac4052B671580bdb, (2) 0x7b52f8029640B3D8a1A7E7E2DEaD673DB4f290fb, and (3) 0xa7317d49E7Be8F40673a927B45b3a0303552a360.

<sup>3</sup> A “gas fee” is the amount of ETH required to conduct a transaction on the Ethereum blockchain.

8. As set forth in paragraphs 35–36 of the Sabo Declaration, on or around November 24, 2020, the 0xb1 wallet deposited the “Celsius Staked ETH” into the “Staking Smart Contract,” and on or around January 20, 2021, Stone provided an entity called [REDACTED] with access to the Celsius Staked ETH, including the seed code and private keys thereto. Celsius, [REDACTED], and Stone are the only parties that possess the seed code and private keys to the Staking Smart Contract (assuming that Stone did not provide Celsius with an incorrect seed code or private keys). Thus, Stone will be capable of transferring the Celsius Staked ETH to any wallet he chooses if he gets to it first once it is unlocked.

I declare under penalty of perjury pursuant to 28 U.S.C. § 1746 that the foregoing is true and correct to the best of my knowledge and belief.

Dated: October 21, 2022

A handwritten signature in black ink, appearing to read 'Shiran Kleiderman', written over a horizontal line.

Shiran Kleiderman